

Message Text

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70

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 DODE-00 NRC-05 NSAE-00 USIA-06

TRSE-00 ERDA-05 CIAE-00 COME-00 MC-02 ACDA-07 /039 W

----- 019589

R 271810Z AUG 76

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2131

C O N F I D E N T I A L LA PAZ 6792

E.O. 11652: GDS

TAGS: ESTC, BL

SUBJ: REQUEST FOR EXPORT LICENSE - MC CASE NO. GC-1568

REF: (A) STATE 167889 (B) LA PAZ 5757

1. ACCORDING TO BOLIVIAN FIRM, WHICH IS KNOWN TO COMMATT AND WHICH HAS BEEN VERY COOPERATIVE IN PROVIDING INFORMATION, THE BOLIVIAN ARMY PLANS TO PURCHASE 18 MILLION ROUNDS OF NATO 7.62 TYPE AMMUNITION AND HAS ALREADY PURCHASED 2 MILLION ROUNDS FROM BRAZILIAN SUPPLIER. FURTHER, BOLIVIAN FIRM STATES THAT ITS CONTACT IS GENERAL ADALID EDUARDO EGUEZ, DIRECTOR GENERAL DE LOGISTICA, MINISTRY OF DEFENSE AND THAT EGUEZ IS NOW IN EAST GERMANY. BOLIVIAN FIRM BELIEVES HE MAY BE THERE ON A PURCHASING MISSION.

2. EMBASSY SENT LETTER TO MINISTRY OF DEFENSE RE THIS MATTER ON 15 JULY. THE MINISTRY'S REPLY, SIGNED BY GENERAL EGUEZ, STATES THAT RODOLFO VEGA OFFERED HIS SERVICES TO THE MINISTRY AND THAT IN SUCH CASES THE MINISTRY REQUESTS PRICE QUOTATIONS BUT THAT IT DOES NOT NAME SUCH PERSONS AS REPRESENTATIVES. THE LETTER DOES NOT VERIFY THE MINISTRY'S INTEREST IN PURCHASING THE INDICATED ARMS AND AMMUNITION. TO THE EMBASSY'S KNOWLEDGE THE MINISTRY HAS NOT ISSUED A FINAL MINISTERIAL RESOLUTION AUTHORIZING IMPORTATION OF THE ITEMS, BUT IT APPEARS CLEAR THAT IT DID REQUEST A PRICE QUOTATION.

3. BOLIVIAN FIRM THEREUPON REQUESTED IN A LETTER OF MAY 11, 1976

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A PRICE QUOTATION FROM BUSINESS MATERIALS INC., 422-1/2 FRANKLIN

P.O. BOX 729, GRAND HAVEN, MICHINGAN (ZIP 49417). TEL (616) 846-5210
PRESIDENT OF U.S. FIRM IS MR. R. MICHAEL ANDERSON AND HIS RESIDENCE
PHONE IS (616) 842-1022.

4. ACCORDING TO MR. ANDERSON'S LETTER OF MAY 27, 1976, TO BOLIVIAN
FIRM, BUSINESS MATERIALS HAS FOUR DIVISIONS AND NAMELY;
(A) FENLON INTERNATIONAL, P.O. BOX 729, GRAND HAVEN, MICHINGAN.
THIS DIVISION HANDLES INTERNATIONAL SALES OF AMMUNITION, GUNS AND
ORDINANCE ITEMS.

(B) PROGRESSIVE ENGINEERING, P.O. BOX 314, GRAND HAVEN, MICHIGAN.
MANAGER IS MR. ED ZENKO. HANDLES INDUSTRIAL MACHINERY AND PLANTS.

(C) BUSINESS MATERIALS: HANDLES FOREIGN INVESTMENT MONIES.

(D) MILITARY SUPPLY DIVISION. TYPE OF OPERATION IS UNKNOWN.

5. BUSINESS MATERIALS QUOTED BOLIVIAN FIRM 20 MILLION 7.62 NATO
SHELLS; 500 EACH SMITH & WESSON REVOLVERS; SLEEPING BAGS; M-65
FIELD JACKETS; FLASHLIGHTS AND OTHER MILITARY FIELD TYPE EQUIPMENT.

6. MR. WAYNE REITHER, SMITH & WESSON, WAS RECENTLY IN LA PAZ AND
POSSIBLY HE CAN PROVIDE INFORMATION AS TO BOLIVIAN ARMY PURCHASE OF
PISTOLS AND AMMUNITION.

7. BOLIVIAN FIRM, IN ITS LETTER OF MAY 11, 1976 TO BUSINESS
MATERIALS, REQUESTED CREDIT TERMS FOR BOLIVIAN ARMY. US FIRM
STATED IN THEIR LETTER OF MAY 27, 1976 TO BOLIVIAN COMPANY THAT
THERE WOULD BE NO PROBLEMS IN DEVELOPING CREDIT TERMS.

8. IT APPEARS TO EMBASSY THAT THIS IS A LEGITIMATE TRANSACTION
AND THAT GOB MINISTRY OF DEFENSE DOES INTEND TO PURCHASE SUBJECT
ARMS AND AMMUNITION. HOWEVER, COMATT AND MR. VEGA OF BOLIVIAN
FIRM WILL VISIT GENERAL EGUEZ UPON HIS RETURN FROM EAST GERMANY
(IN ABOUT 3-4 WEEKS) TO DISCUSS PURCHASE OF MATERIALS FROM U.S.
SOURCES. EMBASSY WILL SUBMIT FINAL REPORT AND RECOMMENDATION
FOLLOWING THE VISIT. WE SEE NO REASON NOT TO ISSUE FAVORABLE
ADVISORY OPINION AT THIS TIME, HOWEVER,
ASSUMING THAT EMBASSY WILL BE CONSULTED PRIOR TO ISSUANCE
OF AN EXPORT LICENSE.
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Message Attributes

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Draft Date: 27 AUG 1976
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: CunninFX
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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